

INFORMATION

AGENDA ITEM: Access Services: Multitype Pilot Loan Programs**GENERAL OVERALL PROGRAM UPDATES:****Interlibrary Loan Pilot Program:**

Exhibit A contains a summary of the first through third quarter (July 2001-March 2002) 2001/02 statistics for the interlibrary loan pilot program. Exhibit B contains third quarter transactions (January-March 2002) for the pilot program.

As libraries have applied to their regional networks for Library of California membership, they have been required to indicate which resource sharing access service they will provide to other members. 335 libraries have indicated that they would participate in interlibrary loan. As of October 12, 2001, 97 member libraries, or 28% of the 335 libraries were participating in the interlibrary loan pilot program. At that time the Library of California Director sent a letter explaining the pilot program to the remaining libraries not participating. As of May 1, 2002 participation has increased to 140 member libraries, or 42%, participating in the pilot program.

Pro Rata Projection: The chart below displays the cost of a non-prorated reimbursement of the actual activity in the ILL pilot program thus far, the amount actually paid to libraries, and the amount withheld.

<i>Status of Payments as of 5/7/02</i>				
	<i>Cost of Non-prorated Reimbursements¹</i>	<i>Amount Withheld</i>	<i>Paid to Libraries²</i>	<i>Amount Budgeted 2001/2002</i>
Nonpublic libraries	\$552,849	\$210,170	\$342,679	
Public libraries ³	3,963	1,478	2,485	
Total	\$556,812	\$211,648	\$345,164	\$462,000

¹ At rates approved by the Board and State Department of Finance.
² 30% withheld for 1st and 2nd quarter payments per August 2001 Board action; 50% withheld for 3rd and 4th quarter payments per February 2002 Board action.
³ Loans to nonpublic LoC members not eligible under CLSA.

Based on revised projections of transactions for the 2001/02 fiscal year and the reimbursement rates, as adopted by the Board and approved by the State Department of Finance, the non-prorated cost of the LoC Interlibrary Loan compensation program is estimated to be \$779,995.

The 2001/02 LoC budget for the ILL pilot program is \$462,000, which is \$317,995 short of the current projected total cost. If the projection is reflected in actual transactions the final payment will be made to participating libraries at an estimated 59% of the total reimbursable cost of services.

Handling/Delivery Cost Study:

A Request For Proposal (RFP), titled “Determining the handling and delivery costs of interlibrary loans and the handling costs of direct loans among member institutions of the Library of California”, has been issued. There are four phases to the project:

Phase I: Design the cost study to determine handling and delivery costs of interlibrary loan and handling costs of direct loan

Deliverable Products: Bibliography and archive
 Outline of final report
 Questions to be addressed in collecting data
 Data collection methodology

Phase II: Implement the cost study and report findings

Deliverable Products: Draft report of cost study results
 Final report of cost study results

Phase III: Develop loan compensation policy recommendations

Deliverable Products: First draft report of policy options
 Second draft report of policy options
 Final report of policy options
 Presentation to the Library of California Board

Phase IV: Calculation of compensation formula

Deliverable Product: Formula for reimbursement for handling and delivery costs of interlibrary loan and handling costs of direct loan, to be used in subsequent rulemaking.

The proposed timeline for the project is:

	Proposal due	July 12, 2002
	Contract awarded	July 26, 2002
	Contract signed	August 9, 2002
Phase I:	Design cost study to determine handling and delivery costs	August 12 – December 13, 2002
Phase II:	Implement cost study and report findings	January 2 – May 30, 2003
	Draft report of cost study findings due	April 18, 2003
	Final report due	May 30, 2003
Phase III:	Develop loan compensation policy recommendations	June 12 – November 21, 2003
	First draft report due	July 25, 2003
	Final report on loan compensation policy recommendations due	October 10, 2003
	Oral presentation to Library of California Board	November 2003
Phase IV:	Calculate loan compensation formula	November 24 – December 20, 2003

Staff will continually update the Board on the progress of the project.

RELATED ISSUE TO COME BEFORE THE BOARD IN THE FUTURE: What funding formulas are appropriate for the loan components of Library of California access services?

Relevant Committee: Access Services
Staff Liaison: Tom Andersen